HOW TO DISAPPEAR FROM THE IRS

By Robert C. Carlson, J.D., C.P.A.

LARGEST TAX INCREASES IN AMERICAN HISTORY

"Dealing Clinton a startling setback, the nation's #1 champion of middle-class taxpayers has identified a discrete handful of new strategies for escaping the tax increases."

Safely cut your taxes 25% to 75% ***Page 29***

Disappear from the IRS computers ***Page 23***

Apply for an instant $900 refund ***Page 43***

Insure yourself against an audit ***Page 81***

Cut your property taxes up to 50% ***Page 47***

Retire on your tax-savings alone ***Page 63***

Publisher's Review

"Dealing Clinton a startling setback, the nation's #1 champion of middle-class taxpayers has identified a discrete handful of new strategies for escaping the tax increases."

Selected Excerpts

"They are people just like you...with jobs, families, worries and plenty of hopes and dreams. Only these people, nearly 100,000 in all, have set their lives on a new course. At first, the changes were subtle. Now they're more dramatic. Gone are the sleepless nights and the money problems. They are safe from Clinton's tax attacks. You can be too. Only one thing is required of you..."

From the Publisher

Robert C. Carlson, J.D., C.P.A.

ONE BIG GUY WHO WORKS FOR THE LITTLE GUY

Bob Carlson is no Schwarzenegger, but you should see the effect he has on IRS agents. He's been fighting them...and beating them...for so long now that agents now turn tail.

Carlson gets the tax breaks that the nation's 425,000 other accountants either overlook, ignore or don't research hard enough. He will take you right to the line...without ever crossing it. He's safety and savvy wrapped into one.

As the editor of *Tax Wise Money* since 1985, Carlson has helped nearly 100,000 taxpayers achieve complete financial success. He's much in demand at the Blanchard New Orleans Investment Conference and at other seminars around the world. He has authored several books, including *Loopholes That Survived Tax Reform, How to Handle a Federal Tax Appeal and Win,* and *The Retirement Tax Guide.*

Carlson has been an adjunct lecturer at the University of Virginia Continuing Education. He is Chairman of the Investment Committee for the Fairfax County, Virginia, $800 million employee pension system. His opinions are reviewed on a regular basis in *Barron's, USA Today, U.S. News & World Report, Money, Worth, Kiplinger's Personal Finance,* and *Rukeyser's Wall Street,* to name a few.

As an attorney and CPA, Carlson has spent his entire adult life hunting through the tax code with three things in mind:

> **He searches for the hidden bonanzas, He cuts the mumbo jumbo out of taxes, He builds a shield of safety around you.**

Of these three goals, Carlson believes the third is the most important. He wants you to be safe. Once you're 100% certain of being safe from IRS attack, then all kinds of opportunities will open up to you.

In these pages, you'll learn how to keep the IRS at arm's length. You'll discover the specific strategies you can use to make sure you never hear one peep out of the IRS.

No error notices. No penalty notices. No lien notices. No audit notices.

No hassles of any kind...even as you carefully whittle your taxes down to the barest legal minimum.

Carlson has already shown nearly 100,000 people — good, law-abiding citizens like you — how to transform taxes from a money-*taker* into a money-*maker*. Now let him do it for you.

CLICK HERE TO LEARN MORE!

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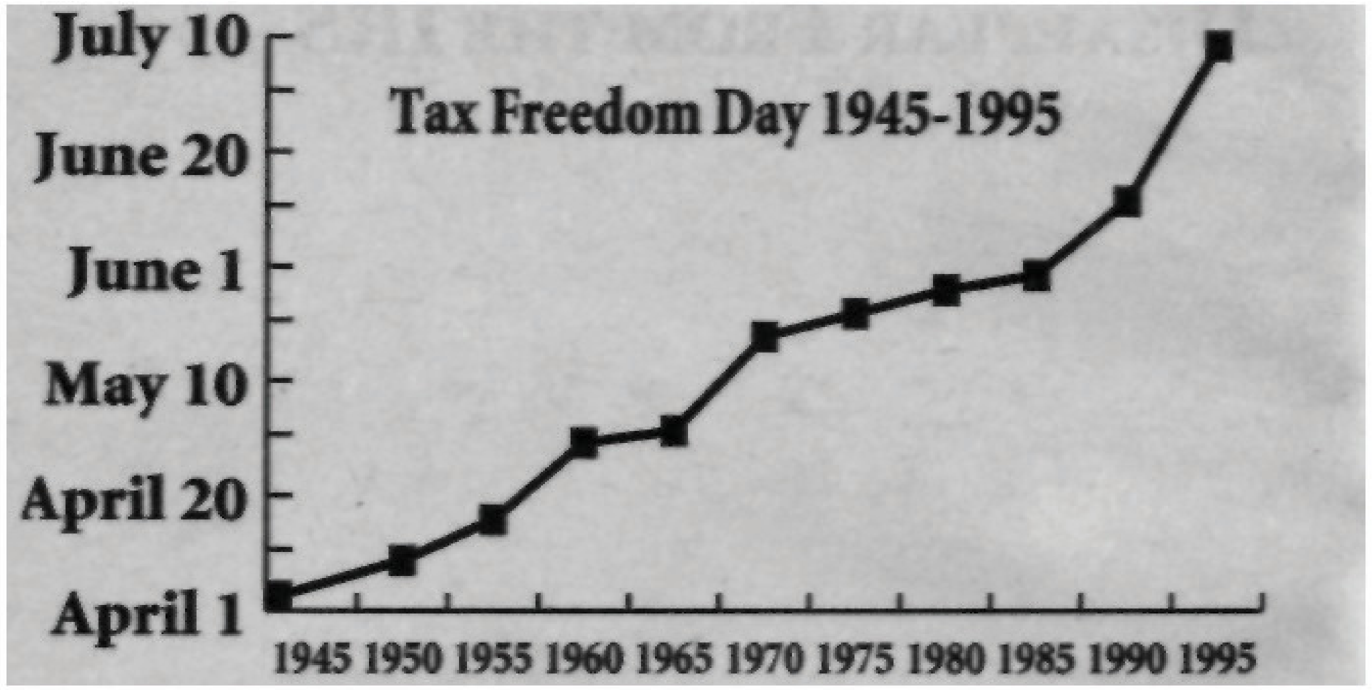
Introduction

WHY YOU HAD BETTER DISAPPEAR FROM THE IRS

Our government is out of control. The politicians are spending money like drunken sailors. The federal debt will soon top $5 trillion—which translates into $100,000 for every family of five in America.

We all know the politicians cannot continue their reckless spending. They have to sober up sooner or later—or they'll spend the country into the gutter of history. You know this. They know this. Only they've got different ideas about how to clean up their acts.

Bill Clinton is convinced that the best way to turn things around is by 1) raising taxes, and 2) sicking the IRS wolfhounds on us. He doesn't seem to realize that the average taxpayer is already up to his neck in taxes. Take a look at the chart:



The average taxpayer works 190 days a year for the government, and the rest for his family. Here's what now happens to a $40,000 income:

Average Family Income of	**$40,000**
Less Federal average tax rate of 15.65%	(6,260)
Less Social Security/Medicare tax of 7.65%	(3,060)
Less State income tax of 7%	(2,800)
Less property taxes of 3%	(1,200)
Less sales/misc. taxes of 7%	(2,800)
Real After-Tax Income	**$23,880**
Percent Loss	**40%**

After taking such a brutal drubbing, how can we taxpayers be expected to make even greater tax sacrifices?

That's a good question.

It's a question that's being asked all across America right now. It's also a question that's being asked in Washington. The politicians don't ask things like, "How can we soak an extra dollar out of the taxpayers?" No, they ask things like, "How can we sneak more taxes past them?" And "How can we improve the audit and enforcement branches of the Internal Revenue Service?"

Yes, that's what the politicians are asking right now, which is one of the reasons why you *had better* learn how to disappear from the IRS, and fast!

Are you at high risk of IRS harassment?

The IRS is now targeting certain taxpayers over others. They have revamped their audit and compliance schedule. They are battle-ready with a regiment of 120,000 employees, a $1.5 billion supercomputer that's up and running, and a new commissioner who's eager to make a mark.

Watch out...

Most at risk of IRS harassment are well-off seniors, people making over $115,000 a year, the self-employed, and small businesses.

That's right, it's the hard-working people who have given the most to this country who are most at risk of IRS harassment. It's unjust.

Totally unjust.

But fortunately, it's becoming easier than ever for small businessmen and most everyone else to disappear from the IRS's computer screens. Legitimately. You will find out how in this fast-reading book.

Bad case of Potomac Fever

What happened to Bill Clinton? Why is he choosing the politically unpopular task of raising taxes? Why not try to cut spending and stimulate the private sector, instead?

That's a good question.

One possible explanation is that Clinton has contracted a very bad case of Potomac Swamp Fever. It tends to strike just about everyone who comes to Washington D.C. Few are immune, and the symptoms are easy to spot. The victims begin believing the career bureaucrats and slicked-down lobbyists who live there. They lose sight of the folks back home. They forget about right and wrong.

They fall into the same old traps...lapping up the praises of the lobbyists...voting for more and more new taxes to pay for their monstrously bloated spending programs.

They begin saying things like "we're slowing the growth" of government...as if that will somehow cut the deficit and make all the pain and financial problems go away.

Clinton should know better.

As a Rhodes Scholar graduate of Oxford, he should know that every new dollar in taxes that government takes in results in $1.78 of new spending. It's been that way since World War II. This year, the government will take in about $1 trillion and spend about $1.8 trillion. There will be no deficit reduction. There will only be more spending. And what will all this spending bring us?

Better schools? Fewer potholes? More law enforcement? Wake up and smell the pork. Because that's what your taxes will be used for. Oh sure, there are a few worthwhile government programs. But for the most part, it will be business as usual. Tax and tax, waste and waste.

So the idea that higher taxes will cut the deficit is exposed for what it is: A cheap gimmick for further bloating the federal bureaucracy at the expense of the taxpayer.

Tired of being lied to.

Frankly, I'm fed up with the gimmicks. I'm tired of the runarounds and the lies of self-serving politicians. And I refuse to sit still while the American people get soaked dry like a population of turnips. That's why I wrote this book, and that's why I spend so much time teaching people how to be tax-wise.

There's no reason why you or anyone else should pay a dollar more in taxes than is absolutely necessary. The money is just frittered away...and ends up in some undeserving fool's pocket. You're the one who earned it. You're the one who deserves a better life.

Use this free book to begin taking control of your taxes and making yourself safer. The first step is to recognize what's looming on the tax horizon.

The taxing has only just begun.

By his own estimates, Clinton will have to raise taxes another $500 billion to get government under control. For that to happen, your taxes will have to go up another 10% to 20% in the next few years. No middle-income taxpayer will be left alone.

And to make sure you don't try to ditch the coming tax increases, Clinton will be tossing more red meat to the IRS wolfhounds. He'll give them a mandate: *Get rougher, get tougher, but whatever you do, get more tax revenues.*

Meanwhile, Clinton will be going on TV, trying to convince us that we can't beat his tax hikes.

"We're closing all the loopholes," he will say. "Deductions are being lowered," he will say.

Well read my lips: *"Bunk!"*

Because there's something else the insiders are saying in the hallowed halls of Washington. In fact, it's the oldest and most treasured saying in town:

The higher the taxes, the bigger the loopholes.

The insiders know it's true. The top tax lawyers are already "adjusting" their wealthy clients' portfolios. The fact is, Clinton's new tax bill is riddled with loopholes. Some are big enough to squeeze a Winnebago through. If you find out how, you'll be able to...

Cut 10% if you're already a tax pro, Cut 25% if you're a weekend hacker, Cut a full 50% if you are a novice.

While most people will be forking over a lot more cash to Uncle Sam, and grumbling very loudly about it, you could be paying *much less* and quietly taking advantage of a new source of easy, extra dollars.

Surprising Bipolar Celebs
Find Out What The Media Keeps Secret On Celebs With Disorders!

Checkout Awesome Cars!
Configure your own car save it and race it.

Just for Nurses!
Free scrubs every week? Yes! Click in for all of our giveaways!

Want an iPhone 4S?
Answer 3 quick questions & win an iPhone 4S. Click here now.

It doesn't matter if you're already retired, or working your way up, or just starting out. It doesn't matter if you do your own taxes, or use a CPA. If you paid anywhere between $3,000 and $30,000 in taxes last year...

You can pay at least $1,000 less this year.

In all my years of fighting the IRS, I have yet to meet one middle-income taxpayer who couldn't cut at least $1,000 off his tax bill.

And in fact, the average taxpayer who uses the strategies in this book can slice $4,400 off his taxes the very first year, and then $4,400 the second year, and $4,400 every year after that.

In the pages ahead, you'll read about a few of the people who have learned how to disappear from the IRS while slashing their tax bills. You'll find that these victorious taxpayers are people much like yourself...

People with jobs, families, worries, and plenty of hopes and dreams. Only these people, nearly 100,000 in all, have set their lives on a new course. At first, the changes were subtle. Now they're more dramatic.

Gone are the sleepless nights. Gone too are the money problems. Because these people have learned to fade into the IRS woodwork. They

didn't have to push the limits of the law. Or hire fancy accountants or lawyers. Or learn all the in's and out's of the tax code. Or raise even one eyebrow at the IRS. None of that is necessary.

They simply set aside one hour a month — that's all, and use the tax-wise strategies that save them an easy $4,400 a year.

How would you use the extra cash?

Would you spend a week away at your favorite resort? Or buy a speedboat? Or a time-share cabin in the mountains? Or maybe you'd rather reinvest your savings toward a retirement on easy street. It's your choice.

This book will help you get the money...and the peace of mind so that you can begin enjoying your new source of growing wealth. Let's begin.

One

THE FIRST STEP — "PEACE OF MIND"

You are probably tired of playing peekaboo with the IRS.

Tired of the shell game — the padded deductions, the iffy shelters, the endless weeks of wondering if you blew it.

Tired of tiptoeing out to the mailbox in June...expecting a "notice from the IRS" as if it were a pipebomb about to explode.

And you're far from alone. Millions of taxpayers muddle through this same ritual every year. Cringing. Cursing. Convinced they have no choice.

And that's a crying shame. Because it needn't

be. There is an easier way. A smarter way. And it's not even a well-kept secret.

It requires only one thing of you.

Only one thing...and you'll be invisible to the IRS's prying eyes. Immune to Clinton's tax attacks.

Completely and safely incognito.

This new level of safety...and peace of mind...comes from a concept known as the "vanishing point." It gives you the feeling of being in a crowded room. Or a shady forest at sunset. You simply fade into the woodwork. You disappear...legally!

And it requires only one thing of you.

You must have a *strong desire* to keep at least $4,400 more of your money in your own pocket and away from the faceless bureaucrats and the covetous politicians in Washington.

This is a must.

Now you're probably thinking, "Well of course I have a *strong desire* to keep more of my hard-earned money!"

But do you really? The plain truth is, most people are scared to death of the IRS. Just mention those three letters—I, R, S—and people jump. They fork over extra cash in hopes of appeasing the tax monster.

But they're being wildly foolish!

Now, don't misunderstand me. Under no circumstance do you ever want to run afoul of the IRS. Their bureaucracy is so huge, and so inept, that a routine matter can turn into a nightmare.

We've all heard the horror stories: Innocent taxpayers who had to fight for years to clear their records. Huge penalties wrongfully assessed. People literally hounded to death — *by mistake!* But a lot of taxpayers respond to these problems in the exact wrong way. They take it easy on the deductions and exemptions—that is, they actually *overpay* their taxes...hoping it will make them safe from IRS attack. Nothing could be more foolish.

Because you don't have to do a thing "wrong" to get burned by the IRS. All you have to do is trigger the wrong response from the wrong computer...or fill out the wrong line on a tax form. And once you're snagged, it could be months of painful agony...as well as thousands of dollars...before you're free again.

The fact is, trouble with the IRS cannot be avoided by giving up deductions.

You can only steer clear of trouble by getting wise to their ways...by fighting their bureaucracy quietly...by turning their titanic sluggishness to your advantage. The best way to do that is to...

Establish your "vanishing point."

Clinton and Congress are passing new tax laws. The lawyers at the IRS are turning those laws into codes. Already there have been court challenges and legal interpretations. There will be many more in the months and years to come. From the laws...to the codes...to the court cases come dozens of new loopholes that middle-income taxpayers can use to slash taxes and fade into the bureaucratic woodwork at IRS central.

Most of these strategies are easy to execute.

Embarrassingly easy, in fact. They cut your taxes to the barest legal minimum in a number of ingenious ways. They follow the letter of the law so closely, so accurately, that you fly right on by the IRS computers.

It's as if you vanish into the system.

In fact, that's exactly what happens.

You see, for all its bloat and bluster, the IRS is terribly understaffed and overburdened. They simply don't have enough resources to go chasing after taxpayers who know the law and know how to use it. So instead, they go after easy marks...

They target big-time tax cheats—who deserve to be nailed. Then they set their sights on ordinary taxpayers—because their returns are easy to figure, easy to collect on.

This is how the system works. It's critical that you understand this: While ordinary taxpayers get nailed left and right, the tax-wise filers vanish into the system. The IRS has no choice. They can't justify the cost of pursuing these tax-wise filers.

Take a look at this chart:

Average Itemized Deductions, 1991

Income	*Medical*	*Tax*	*Gift*	*Interest*
40,000-50,000	3,273	3,141	1,399	6,119
50,000-75,000	4,864	4,161	1,683	7,220
75,000-100,000	4,031	6,012	2,247	9,261

These are the deductions that the average taxpayer takes. So you would think that to stay on the safe side, you should arrange your deductions so that they closely mirror these figures, right?

Wrong! I purposely misled you. It's important that you keep one thing in mind: You don't want to look like the average tax-fool. That can get you in trouble. Instead, you want to be tax wise...even aggressive...as if your return was prepared by a top-notch CPA.

You want to send a message. A very subtle message that cannot be mistaken. The message

that you know all about the new loopholes...and you're planning to milk them for all they're worth.

That kind of sure-footed behavior marks you as a tax-wise pro...someone not to be trifled with. The IRS won't waste their time on you. They'll leave you alone. Let you vanish into the system. And you'll wind up with a lot more cash in your pocket.

That's the beauty of the new tax strategies in this book.

As you learn more about these strategies, you'll see how easy it is to find your particular vanishing point...the exact point at which you vanish into the system. Completely.

Just for Nurses!
Free scrubs every week? Yes! Click in for all of our giveaways!

Quiz: Magic Of Foreplay
Do you have it in you? Take the quiz to find out!

Surprising Bipolar Celebs
Find Out What The Media Keeps Secret On Celebs With Disorders!

Awesome Cars!
Configure your own car save it and race it.

THE SECOND STEP — "MULTIPLYING YOUR WEALTH"

You have now discovered that you can slash at least $1,000 from your tax bill...and be safer from IRS scrutiny for it. You have also discovered that the average taxpayer who uses the strategies in this book saves $4,400 a year. Now you might be interested in some proof...and an explanation of how it works.

For starters, the $4,400 represents a lot more than the yearly tax savings that are available to you. It represents a way of thinking. An approach to wealth.

You see, for most of us, the only way we'll

ever become truly, abundantly wealthy is by cutting taxes. It sounds crazy, but think about it...

Few of us will ever win the lottery or strike it rich in the stock market or win with options or other speculations. The odds are plainly stacked against us.

We've also learned — often the hard way — that the "get rich quick" schemes rarely if ever measure up to the hype. We've tried the "90 days to financial freedom" angle. We've tried the "you were born to be rich" come on. We've tried the "double your money in 12 months" line. And we've found that none of them work.

They're gimmicks, every one.

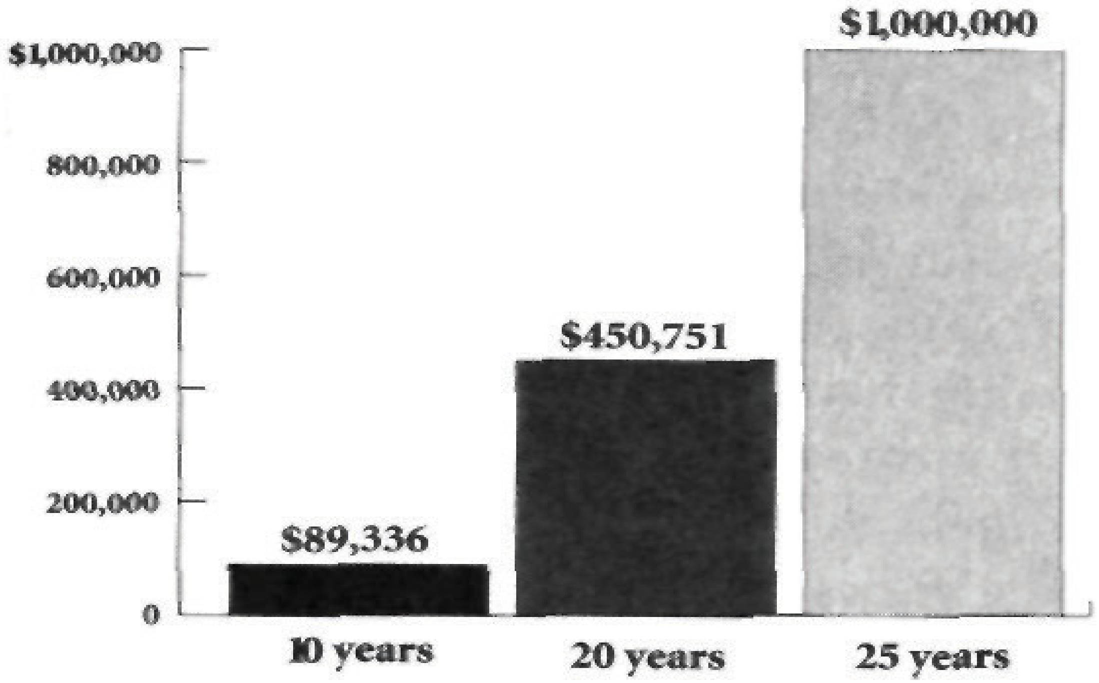
But there is a "wealth plan" that works on an entirely different plain. It doesn't need any hype or promoter's sugar-coating. Because it's the oldest and most reliable method of accumulating genuine wealth. It relies on perseverance. It's as sure as the march of time. Some have called it "the Eighth Wonder of the World." One thing is certain, though. It truly is...

The only way an "ordinary person" can acquire a fortune.

This "wealth plan" requires no rapid-fire trading in roller-coaster markets. No fast-talking brokers or big-buck financial planners. No esoteric currency swaps. Just about everything you need to succeed with this "wealth plan" is in your hands...this very moment.

Here's a demonstration of that:

If you take yearly tax savings of $4,400 and sock them away in a rock-solid investment, something truly wondrous will happen in your life. Take a look at this chart:



By knowing the loopholes, you can slash $4,400 off your tax bill every year. Reinvesting these annual savings can net you a small fortune.

Now, isn't that something!

If you take yearly tax-savings of $4,400 and invest them in a solid growth fund that's yielding 15% after expenses, you will soon accumulate a mountain of cash!

In 10 years, you'll have $89,336.

In 20 years, you'll have $450,751.

And in 25 years, you'll have a cool million!

Your yearly tax savings grow so large so fast because of the awesome power of compounding.

If compound interest isn't the Eighth Wonder of the World, then it certainly is the alpha and omega of financial success. It allows you to sock away a small amount every year and before long, you've got a small fortune. Best of all, you don't have to risk a dime for it.

You don't have to scrimp on groceries or skip the vacation in order to scare up extra cash to gamble on risky investments. It's not necessary.

Instead, you're simply investing the money you would have paid to Uncle Sam. Think of it as found money. Is there any better source of investment capital?

The answer is no.

You've spent too many years paying too many taxes.

And what have you gotten in return? Not much for all the money you've poured in. Perhaps it's time to commit yourself to the most honest, straight-forward "wealth plan" available to you.

This "wealth plan" has two steps. First, you disappear from the IRS. Second, you invest your tax savings and let your wealth multiply.

What could be easier?

This "wealth plan" is all laid-out in concise, workable terms in these pages and in a special report that accompanies this book. The special report is titled, appropriately enough, the **Two Step Wealthplan.** It elaborates on the tax-slashing strategies outlined in the next chapter.

Indeed, these strategies will set you up for life!

Chapter Three

TURNING LIFE'S DECISIONS INTO TAX BONANZAS

A lot of taxpayers think that "tax time" means the few weeks before April 15th. But that's one of the biggest mistakes a taxpayer can make.

The fact is, tax time is a month-to-month activity. You need to set aside half an hour each month — just half an hour, that's all. Do that, and with good advice, you'll stay on top of the best tax angles of every major decision in your life.

It will be time well spent...as the following examples make clear.

☐ BUYING A CAR

Maybe you should buy two. If you generally use your car for business, there are strategies to turbo-charge your automobile deductions and make the cost of a second car much cheaper.

☐ BUYING A NEW HOME

You can knock as much as 28% off your new mortgage payment—it's easy, too. Simply use the proceeds from the sale of your first house to buy tax-exempt bonds. Then use the interest you earn on these bonds to pay the mortgage. IRS Letter Ruling 8530024 lays it all out. And I walk you through the steps—making sure it's all completed easily.

☐ SELLING YOUR HOME

Plan repairs on a property you want to sell carefully...not just so the house looks good, but because you might be eligible for some significant tax breaks. Or, instead of selling your house, give it away...to your children! Letter Ruling 8502027 lets you reduce your children's tax bill and your tax bill when you sell your home. See Chapter 8.

☐ DISASTER RECOVERY

Floods, fires, hurricanes and other disasters can be a double-disaster if you fall into any one of the three tax traps the IRS sets for taxpayers taking casualty loss deductions. Take the opportunity to learn about these traps, and how to sidestep them. You will save thousands of dollars.

☐ GETTING MARRIED

Don't let filing your taxes sour your honeymoon. For some couples, filing separately is the best idea since his and her towels!

☐ RAISING A CHILD

Gain a big deduction for the family business by hiring your children. Each child can earn up to $3,800 without paying a dime of income tax.

☐ PAYING TUITION

Cut the bill for educating your children in half...by taking full advantage of the new tax laws regarding gifts and annuities.

☐ STARTING A BUSINESS

Deduct 100% of your health insurance premiums by hiring your spouse to the family business (simply follow the strategy permitted by Revenue Ruling 71-588). Not only will you slash your taxes, but your spouse will be eligible for fringe benefits, a pension, IRA contributions, and Social Security. Also, you don't have to be an anesthesiologist learning the hard way to figure out the rules on home office deductions. You can do it on your own...with the right assistance. See Chapter 6.

□ GAINING AN INHERITANCE

Let's say that your rich Uncle Fred leaves you his mansion. Do you take it? Better be careful, or you could be inheriting a tax nightmare! See Chapter 9.

□ CHOOSING A HOBBY

Have an expensive hobby? Turn your hobby into a part-time business and deduct every single invoice. Though most CPAs will advise against this, it's 100% legal. No red flags will wave. Just do it the way the pros do it.

□ BORROWING MONEY

You can borrow money interest-free and without penalty for up to 60 days. Just use a tax ruling that was designed to allow transfer of money between IRAs.

□ INVESTING

Clinton is hoping to spur the economy and create new jobs, so he's kept the long-term capital gains rate at 28% — far lower than the top rate of 39.6%. This is great news. It gives you a great investment edge. It lets you put your money in low-risk investments that earn capital gains instead of interest and dividends. And every check you receive will be 11.6% larger (the difference between the rates).

You can also take advantage of some top-notch annuities that offer you greater safety with higher returns. And don't miss out on the right kinds of tax-free municipal and zero-coupon bonds for the new Clinton market.

You'll add up to 37% to your investment returns, without taking one ounce more of risk...by practicing tax-wise investing.

□ RETIREMENT PLANNING

Feeling limited by your IRA? Set up the right kind of annuity and you won't have to worry about limits on contributions or deductions. In fact, your investment will be extremely valuable...not just when you retire, but right now!

☐ MEDICAL EXPENSES

You can easily and effortlessly deduct even more medical bills than you think: acupuncture...contact lenses...electrolysis ...hearing aids...mattresses...sex therapy...swimming pools... wigs...clarinet lessons...almost anything else under the sun—if you follow the tax-wise guidelines!

☐ ESTATE PLANNING

When Elvis died, his estate was worth $10 million. By the time the IRS wolfhounds were finished, Graceland had barely $3 million left. If Clinton gets his way, estate taxes will skyrocket even higher. But don't worry, estate taxes are the easiest taxes to avoid. See Chapter 9.

Every major life decision needs careful tax-wise planning.

You can save *half* the cost of a college education, for example. You can make a second home affordable...or add another $500,000 to $1,000,000 to your retirement account. Tax-wise planning can steer you around the 55% estate tax...cut your property taxes...and even make it possible to deduct family travel.

From birth to death, every aspect of your life

is affected by taxes. And for every threat, there is an opportunity — a special tax angle that substantially adds to your bottom line.

Over time, these tax-wise angles can make the difference between a life of prosperity...and one of just making ends meet. They can make the difference between a retirement graced with plenty of cash and ample resources...and one that is mean and tight. That's why it's important to plan. This book can help.

In the chapters to come, we look closer at these tax-wise strategies. You will see the specific strategies that people like you are using to turn the tax code into their own private Mother Lode. Read on!

Chapter Four

HOW TO APPLY FOR A QUICK $900 REFUND

It's the biggest rip-off of modern times.

The IRS is raking in twenty billion dollars a year that isn't owed. And sadly, most taxpayers are willing accomplices in the rip-off.

They throw open their wallets and say, "Take all you want, just leave me alone!" By paying extra taxes, they figure, the IRS will leave them alone.

Other taxpayers are simply not aware of all the new tax breaks that are available to them.

Or worst of all, the CPA that they trusted to handle their 1040 does a hatchet job. The fact is, CPAs strike out more often than baseball players.

Money magazine regularly demonstrates the folly of placing too much trust in *any tax* preparer.

Each year, *Money* conducts an experiment. They ask some of the country's top-caliber CPAs to prepare a return for a typical family. Last year, 15 CPAs gave it a try. One said the family owed taxes of $9,086...another said $11,242...another $17,535... another $21,216.

The correct answer was $12,038.

Some were off by nearly $10,000. Only two CPAs came within spitting distance. Only 2 of 15. As a team, they batted a measly .133! And these guys volunteered to be in the test—presumably for the publicity it would bring. Imagine what the guys at the bottom of the batting order would do!

Based on the sad results of this test, I was inspired to conduct my own test through my monthly newsletter, *Tax Wise Money*. I examined a random sample of 1040s from new sub-scribers...to see if they had overpaid.

I examined their last three years' returns... since you can't go back any further than that to claim a refund of overpaid taxes.

The results of the test were astounding.

Almost half of the returns were in error. In every case but one, the person had *overpaid*. The average overpayment was $900.

Based on this test, as well as information obtained from the IRS over the years, I calculated that the IRS collects over $20 billion a year that belongs to people like you.

Chances are 50/50 that you're entitled to a refund check, and can easily get one.

Most people have no idea how to claim this money.

Think about it. When was the last time you got a letter from the IRS saying, *"You paid too much, here's your refund."* You probably never received a letter like that. Or if you did, the refund was for $2.34...

But now you can make some real money! All you have to do is file Form 1040X and it can be a snap when you follow the advice in these pages and in regular issues of *Tax Wise Money*.

For instance, if you're self-employed, you can amend 1992's 1040 to write off 25% of your health insurance premiums for the last six months of the year. Congress just reinstated the write-off, and you could get $500 or more by filing a 1040X now. There are many more money-reclaiming opportunities like this one. Many of them are a piece of cake to file for, and the IRS is required to send your refund within 90 days of your request.

$900 in 90 days...it has a certain ring, doesn't it?

And when you find the taxes that you overpaid the feds, you can also file for a refund on your state taxes.

How would you spend the extra cash? Pay off some bills? Zero out a debt? Get extravagant and check into a ritzy hotel for a long weekend of R & R? Or invest your extra cash at 15% compounded interest—and kick back while it multiplies into a small fortune. Whatever your choice, you will be working with found money. There's no better way to grow wealthier.

And while we're in the wealth-building mood, let's look at another closer-to-home opportunity to reclaim some of the taxes you're probably overpaying.

Chapter Five

HOW TO EASILY WIN A PROPERTY TAX REPRIEVE

It's been documented by the National Taxpayers Union: As much as 50% of all property in America is overassessed.

In just a few hours over the weekend, you can do what's necessary to cut a big chunk out of your home or business property taxes. Savings of $250 to $1,000 a year are obtainable. Easily. Effortlessly.

A pencil, a measuring tape, and a pocket calculator.

That's all you need. Everything else is laid-out in careful detail in a special report that you can obtain, free of charge, for having read this book. The report walks you through each step

you need to take. And don't worry. There aren't that many steps. None of them involves any *mano a mano* down at City Hall.

If you follow the half-dozen easy steps in this special report, you will glide through the system. However, you would be wise to hustle.

Higher property taxes will follow on the heels of Clinton's economic problems just as surely as little boys with sleds follow the first snow. There's a reason for this:

The folks in Washington are trying to have their cake and eat it too. They're voting for all kinds of goodies for the people back home. But they're sloughing off the responsibility for paying for these goodies to the states. So what are the states doing? Many of them are sloughing off responsibility to the local governments which have...

No option but to raise property taxes.

Watch and see, it's already happening in California. They are being slapped with special assessments. People are becoming furious. Another tax revolt is in the making. But by acting now, you'll get into the assessor's office before a long line of irate homeowners do.

Get in now, and you'll find your assessor in better spirits, more agreeable to your wishes.

To obtain your blueprint for property tax relief, turn to page 113 now. Or if you prefer, read on—the tax cutting has only just begun!

The stories
in the
following pages
are true-to-life;
the information
has been organized
to grant you
full benefit
of the law.

Surprising Bipolar Celebs
Find Out What The Media Keeps Secret On Celebs With Disorders!

Checkout Awesome Cars!
Configure your own car save it and race it.

Just for Nurses!
Free scrubs every week? Yes! Click in for all of our giveaways!

Want an iPhone 4S?
Answer 3 quick questions & win an iPhone 4S. Click here now.

Chapter Six

ENTREPRENEURS CAN UNCOVER A FORTUNE IN THE TAX CODE

A Success Story

Myron was a victim of corporate downsizing, but he struck out on his own and found a hidden fortune in the tax code.

Traffic had been a bear, and Myron arrived a half-hour late to Floor 27, Sector G, Cubicle 2115. Hurriedly launching into his paperwork, he didn't notice the downtilt eyes of his co-workers, or the pink slip taped to his desk.

Myron had heard about the company's downsizing plans. There had been a rumor that "Sector G no longer added value to the product."

But he thought his job was safe. It wasn't, however. And he had no idea what to do next.

Packing up his belongings, he stepped out to the street on a bright sunny day. And suddenly, he was struck with the craziest thought: *He liked blue skies and sunlight!*

Right then, he decided to find a job that gave him more time in the sun, with his family, doing things his way. He started asking around, and learned that many of his self-employed friends were ardent believers in *Tax Wise Money...*

So began an incredible journey.

Myron sent away for a free trial copy of *Tax Wise Money,* and sifting through it, he quickly found that working at home offered a bounty of tax savings. Every $1.00 he had earned in "Sector G" became the equivalent of $1.50 when earned at home. He liked that.

So did his wife. She was a dance instructor, a part-timer at the local travel agency, and she had always wanted to go into business with her husband. That day, the two of them decided to form their own adventure travel company...catering to people who wanted to dance their way around the world.

Finances were tight, though. They would have to scrimp at first. That would rule-out going back to school for any specialized training. Or would it?

Myron had read in the Sunday newspaper that continuing education is deductible...but the cost of learning a new trade is not deductible. What he read was right, generally.

But not always! Certainly not to the well-informed...

Consulting *Tax Wise Money,* Myron found a perfectly-legal way to deduct 100% of his wife's tuition costs. And things sped up from there.

They formed *Dancing Feet Adventures,* and they organized it as a S Corp. In so doing, they cut their federal tax bite a full 36% while funnelling a slew of other tax breaks their way.

Right off, they deducted most of the cost of launching their business—the entire cost, though it's not generally allowed. All they had to do was write up a marketing strategy using the easy tax-wise guidelines.

Next, they put their two kids on the payroll— doing legitimate jobs, and paid them each $3,700 a year tax free.

In short, they turned their lives into one big deduction. So that come tax time, they paid the self-employment tax and not a penny more. Soon, they'll learn the one easy step they can take

to cut their self-employment taxes too. But one step at a time. That's the tax-wise way.

Are you ready to take the entrepreneurial plunge?

Or, have you already tested the self-employment waters? Either way, you can reap the many bountiful rewards hidden in the new tax code.

However, if you're not quite ready to go it alone, or if you're perfectly happy working in a company, then the next chapter should tickle your fancy.

Chapter Seven

EMPLOYEES CAN EASILY WIN A 20% RAISE

A Success Story

Milton is an editor at a publishing house. He loves his job, and makes good money, but it's never enough. He's not alone in his frustration...

Commuting in from Jersey one morning, Milton tuned his radio to his favorite talk-show. The DJ railed against Clinton's tax-infested budget for awhile, and then opened up the phone lines. I know about Milton because I was a guest on the radio show that day.

Callers vented their frustration.

"Where's the fairness?" Milton called from his

carphone. "Corporate workers don't get half the tax breaks the self-employed get."

"Why do you think that?" I asked. "You could give yourself a 20% raise today."

"Right, I just march into the boss' office and demand it."

"Why not? Your boss is going to like the idea because it costs him nothing and it makes you happier."

"Sounds like double-talk to me," Milton said in the surly voice that New Yorkers are famous for.

"You can be cynical," I said, "or you can be successful. If you want the latter, then march into your boss' office and tell him that you want a chunk of your salary paid in 'benefits' instead of cash. Commuting costs, vacations, medical, child care, use of company property, discounts, meals — these can easily add up to 40% of your paycheck. And you can get them all tax free...giving yourself the equivalent of a 20% raise."

"What if the boss refuses anyway?"

"I can show you how to make it worth his while."

"Ahh! Well, how else can employees save?"

"Did you know that you don't have to pay state taxes on a big chunk of your income?"

"Yes, I knew that."

"Okay, did you know that you can now claim $720 in tax-free reimbursements for commuting costs—even if you're a company worker? Before, you could claim only $252. Now it's $720. If you didn't know that, you just made $468 more this year!"

"Any other tax breaks?" another caller asked. "We're all listening."

"Chances are, you're all giving Uncle Sam an interest-free loan every year...without even knowing it."

"How do we find out if we are?"

"It's all covered in the Two Step Wealthplan, which I'll get to in a minute. But we haven't talked about the mightiest weapon in your arse-nal...your 401(k)."

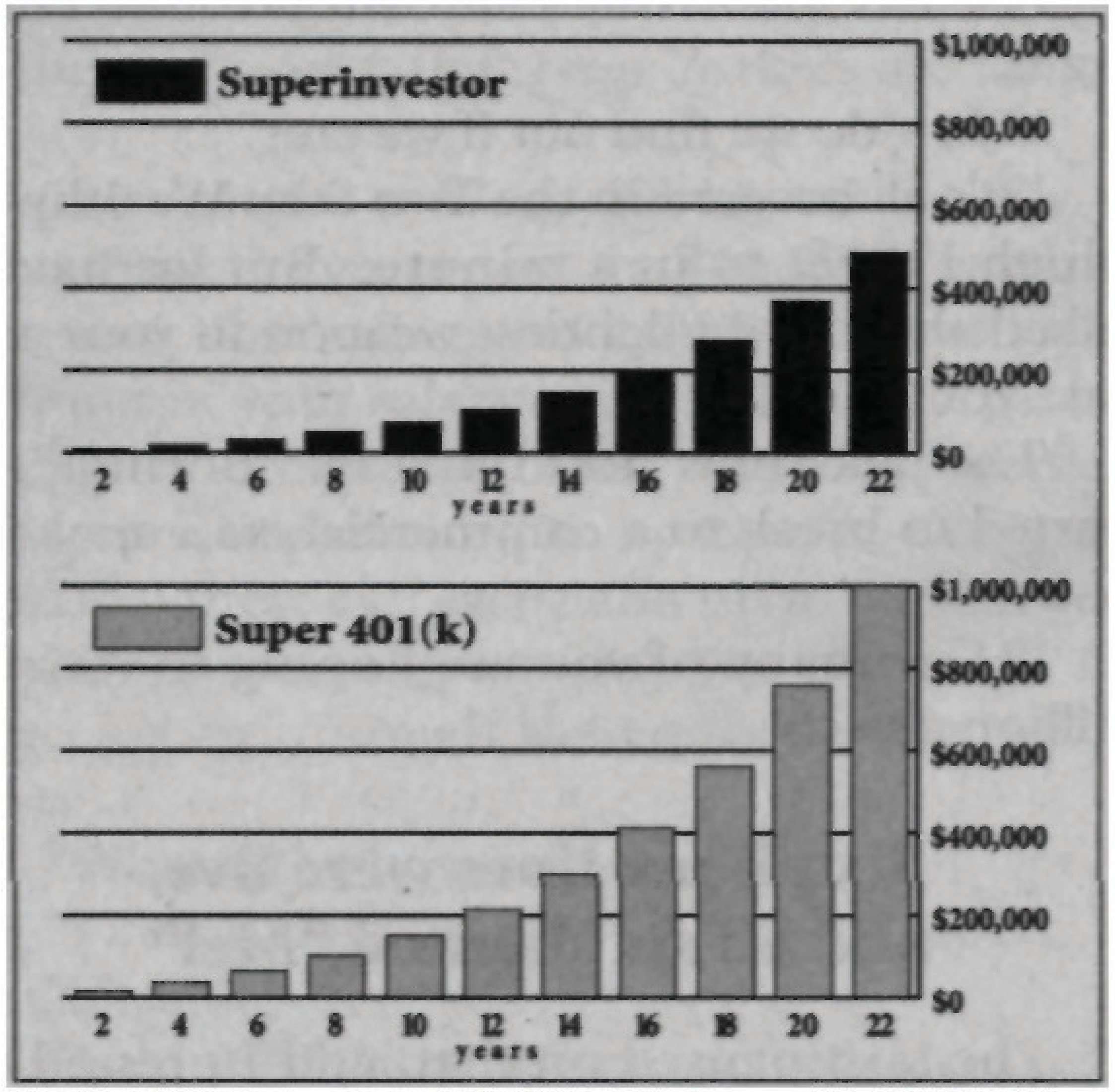
The talk-show host burst in, "Boring!" He started to break to a commercial, so I spoke up fast:

"How many of you are hoping to retire as millionaires?"

Six phone lines were live, and all six shouted "Me!"

The host paused on that, and I pressed on: "You might think your 401(k) is a yawner, but these pension plans aren't what they used to be. They're powerful now. You can use them to

hide money from the IRS, but if you suddenly need that money, you've got access to it. If you change jobs, your 401 (k) goes with you. You're in charge—there's no Big Brother telling you what to do. You can diversify it within the limits set by your employer—usually mixing T-bills and growth stocks and even real estate for safe, solid, super-high returns." "How high?"



Two corporate employees invest $5,000 per year— one thinks he's a superinvestor for earning 15% a year compounded. But the Super 401(k) is the real wealth-building champ.

"Let's say two employees each invest $5,000 a year, but in very different ways.

Before the first can invest his $5,000, he has to pay 28% taxes on it. That leaves him $3,600 to invest. If he gets a solid 15% return, in 22 years he will have $486,486. Okay. Now, let s look at our second employee. He plops $5,000 into his 401 (k) and his boss matches it up to $2,400. The total of $7,400 is invested at 15% and in 22 years, when he's ready to use that money for retirement, he has $1,000,000!"

"It couldn't be that easy," the host said.

"With the proper guidance, it's no tougher than reconciling a checkbook. I lay it all out...step by step...in the **Wealthplan** that I give away to new subscribers to my newsletter."

"Sounds like you're plugging yourself," the host mocked.

"I am. I relish what I do. I get a lot of pleasure out of helping good Americans fight the system and win a better life for themselves. The fact is, the odds are stacked against the hard workers in this country, and I'm doing my best to make things better...one taxpayer at a time."

The IRS hopes employees will ignore these tax plums.

And unfortunately, most do.

But believe me, even if you're accustomed to a

regular paycheck and full withholding, you can still save an additional $1,000 on your next tax return.

You can turn Blue Friday—the day you find out how much you made, and how much Uncle Sam made off with—into Lucky Friday. You won't have to aim for the high fruit—the strategies that are hard to reach. You'll be picking the low-hanging plums—the choice picks.

One hour a month is all you'll need, and you'll be rewarded for your effort in two important ways:

1. You'll be prepared against the slew of new taxes that are coming out of Washington.

2. You'll develop a firm month-to-month strategy, rather than a feeble April 15th panic attack.

The second point is crucial. Because anybody can pick-up a few good tips from newsstand magazines every now and then. But until you turn those tips into a month-to-month strategy, *which is what my advisory does,* you'll get clob-bered by the taxman.

Take this opportunity to get with a winning program.

And take a look at the problems now facing retirees. In the next chapter, the story of Brent and Eileen points out how elusive our retirement hopes can be.

MAKE MONEY NOW!!!!
CLICK HERE!

Chapter Eight

RETIREES ARE FACING A ONE-TWO BLOW

A Success Story

Brent carried a union card, Eileen raised the kids. They were an old-fashioned family—the kind that built this nation. But recent events had them wondering...

It wasn't just the violence or the drugs in their once-clean Chicago suburb. It was deeper.

And though Brent and Eileen couldn't put a finger on it, they felt it was time to head to greener pastures. On a trip through Oregon, they uncovered a pristine spread along the Umpqua River. And there, they decided to build their dream home.

Returning to Chicago, they promptly put their house on the market and began contemplating an early retirement. Having put five kids through college, though, they didn't have much in the way of savings. They would have to proceed carefully. But right off...

Brent felt like he'd been slugged by Floyd Patterson.

Their home, which two years earlier had been appraised at $275,000 was now worth only $200,000. Not only that, but since they had bought it 30 years back, they would have to pay taxes on almost the entire sales price. Brent was staggered.

He would either have to wait until the market turned around, or come up with a backup plan.

Being 53, Brent knew they could wait two years and qualify for a one-time tax-break of $125,000 on the sale. But he didn't want to wait. So he turned to *Tax Wise Money...and* found the most pleasing plan.

When the kids came home for Thanksgiving, he explained the plan: If the kids could go in together to buy the Chicago house—but in a special way, putting down $50,000 and using something called a lease-with-purchase option, then several good things could happen:

First, Mom and Dad could move out immediately and begin building their dream home on

the Umpqua. But—they would still "officially" own the Chicago home...even though the children were leasing it from them until they became eligible for the $125,000 tax break.

Second, the kids could rent out the home during those two years, sending the proceeds along to Mom and Dad. After the parents turn 55, the kids could exercise their option to buy. They would enjoy a bevy of tax breaks on depreciation and interest deductions. As the kicker, the house would avoid estate taxes.

When the kids figured out all the tax breaks, and how much they could eventually sell the house for, they estimated that they would be getting a 20% annual return on their money.

With the entire family understanding the rewards of this kind of tax-wise planning, they all signed onto the idea. And that night, over apple pie dessert, they drew up the papers.

Brent's victory was shortlived.

Brent owned a small sheet metal shop, and he wanted to sell it to his long-time partner. They both agreed that the equipment, tools, and goodwill they'd built up over the years was worth $180,000. But that was too pricey for his partner. Again, they were stuck. And again, I gave them a win-win deal:

Taking advantage of a little-known court case, Brent was able to pass the business along in an unusual, and unusually profitable, way. He took a cash payment of $40,000 and a contract to provide "consulting services" worth $140,000 over 15 years, and the new owner was able to deduct almost all of his payments and avoid taxes!

It was an old-fashioned win-win...just what they wanted.

Having reached their Eden, the drubbing continued.

Settling into their new home along the Umpqua, Brent began chasing champion steel-head, and Eileen joined a sorority that made quilts for sale. They could certainly use the extra cash. But then...

President Clinton unleashed his tax program, and in Brent's words, "It's a direct attack on the few people who still work in this country. Why don't we just slap an OPEC embargo on ourselves?"

For retirees like Brent and Eileen, it's a one-two blow to their financial security.

First, Clinton is trying to tax a whopping 85% of their Social Security payments when their income rises above $44,000 annually. Second, he's clobbering them with an additional penalty for any extra income they generate. For every $2 that Eileen earns quilting, she loses $1 of her Social Security benefits. This amounts to a 50% tax on her earned income, a 20% tax on their benefits, and when you factor in all the other taxes retirees are paying...

Some retirees are facing a combined tax rate of 100%

It's hard to believe, but that's how the numbers add up.

So to help retirees cope with this unfair system, I designed some crafty little strategies for them. One of the strategies lets them time the receipt of their investment income so that they pay capital gains taxes only every other year. It's a cinch to make happen, and it can save the average retiree nearly $2,500 in taxes over each two-year period. Not bad for one simple-to-execute strategy.

And there are plenty more strategies.

Even though Brent and Eileen are grateful for these kinds of strategies, they're still fighting mad about Clinton's attack on hard-working people and especially the elderly of this country.

They wouldn't mind so much—if they felt their tax money was being well spent. They know the value of a strong military, a dependable police force, roads that are free of potholes...

But over a lifetime, they figure they've paid upwards of $700,000 in taxes...and for what?

According to the government's own numbers, a third of that money is lost in the transfer and gobbled up by bureaucrats...

Thrown down a rathole, in other words.

Another third goes to pay the interest—just the interest, on the national debt. Another unnecessary waste.

And that leaves about 33 cents of each dollar for government programs that supposedly benefit us. But do they?

Cities are crumbling from Main Street on out, the court system is a joke, and drug-crazed criminals run free.

Through it all, Congressmen keep voting themselves bigger raises. The last I checked, Capitol Hill honchos are "earning" $225,000 a year with perks — and that's above the table. God knows what they make in bribes, kick-backs, and funny-money.

Then there's the gold-plated plumbing in Army lounges...subsidies to millionaire sugar barons...a helium fund for just in case we need to

mobilize our WWII-era blimps for combat...and to top it all:

Disability payments to cocaine addicts.

No kidding!

Here's how the dingbats in Washington justify this stinker: They say that because the guy is addicted to cocaine, it renders him disabled and unable to hold down a job! It's ludicrous, of course, but you know what? It's not an isolated case. Thousands of addicts get government checks *because* they can't stop using cocaine.

I could go on with this litany of waste, fraud and abuse for pages. But you get the picture. You can see how important it is to take matters in your own hands and create your own dependable tax plan as part of your retirement plan.

Chapter Nine

CONGRESS' PLANS TO SWALLOW UP YOUR ESTATE

Picture this. A few months after you pass on, an IRS agent suddenly shows up and demands 55% of your estate — in cash.

A nightmare? Yes. And one that only the wealthy used to face. But now, Congress wants to lower the estate tax exemption all the way down to $200,000. When this happens, every middle-income taxpayer will be affected.

If your house and assets are worth $400,000, for example, the government could snatch away $67,000 of it!

If you're worth $600,000, your heirs would have to come up with $138,000 in hard cash—immediately.

Yes, the government is getting dirty. You're going to need all the help you can get to keep your family money intact. You need to plan now if you hope to...

Write the IRS out of your will.

My *Estate Planning Files* are the single most effective source on the subject. They represent the first time all 28 of the current estate strategies have been explained in one powerful book.

And to keep current on changes in the strategies, you can turn to my monthly newsletter, *Tax Wise Money*. With both of these tools at your disposal, you'll find it easy to sidestep Congress' sneak attacks on your estate.

And once you feel safe from attack, then you can focus on the important things—such as setting up a family trust plan that takes care of both you and your family and heirs no matter what the future holds. To illustrate the value of this, I can't resist sharing one short story from my files. This story is a rarity—it's a happy story with a thoughtful ending. Enjoy.

A Success Story
Murray and Harriet discovered that you're never too old to learn from your parents.

The letters came once a month, like clockwork.

Murray never talked about them, and Harriet didn't pry. They'd been married only a few years, after all. And while Murray's kids were all grown up and gone, Harriet had never had anyone she could call "family." Maybe she overstepped her bounds, maybe not. But one day, while Murray was away, she opened one of the letters.

It was an innocent act, really. The letters weren't personal. They were brokerage statements. And it didn't take long for Harriet to figure out that Murray's parents—who she'd never met but whose photo graced her desk, had left a trust account to Murray...

Insuring a reserve of cash, should things ever get tight.

Murray had never drawn a penny from the account—that Harriet knew. But it was there for him, just in case, and that was a good feeling.

Over time, Harriet grew more fascinated with the letters. She began to form a mental picture of Murray's parents, and even carried on imaginary conversations with them. Finally, she just had to confront Murray about it.

"It's my parents' way of living forever," he joked.

"Be serious, honey."

"Either they give it to me in trust, or they give over half of it to Uncle Sam to fritter away."

"They did right," Harriet agreed, and listened intently as Murray explained the details of the trust. It had come with all kinds of strings attached — basically insuring that he used it well. And as he talked on, it became clear that the trust meant more than money to Murray. It was a tangible way to keep his Mom and Dad alive in his heart...

That day, Harriet and Murray set up their own trust for his children, their family. They used a lawyer to do it—but they only needed an hour of his time. The rest of the details were handled, simply, by following the step-by-step guidelines in my *Estate Planning Files.*

Now, when the kids come home for a visit, Harriet looks at them in a different way... because she knows how they'll someday be looking at her.

Publisher's Note: For more information on sending for the Estate Planning Files, *please turn* *to page 113. For an extraordinary story of tax cunning in the face of personal adversity, go on to Chapter 10.*

CLICK HERE TO LEARN MORE!

Chapter Ten

YOU CAN STILL SLASH YOUR TAXES TO ZERO

A Success Story

All things considered, Norma Lynn would have preferred to pay more taxes than she did, hut she wasn't complaining.

Tax reform was supposed to nail everyone who was zeroing out their taxes. And Clinton is supposedly pounding the nail deeper. But is he succeeding?

Take the case of Norma Lynn, the new owner of a physical therapy clinic. Her total income was $100,000 last year, but she paid no taxes at all. That's right, zip!

Truth is, Norma Lynn had an awful year. I tell you her story because it shows how to use taxes as a shovel when you're deep in financial doodoo.

To open her physical therapy clinic, Norma Lynn had to finance $120,000 worth of equipment and office improvements. That pretty much tapped her out. But she had a full load of patients, and wasn't worried.

Unexpectedly though, her young daughter became seriously ill. Months of extended stays at the hospital, followed by many more months of medical bills pouring in, cost her dearly. Most of her patients moved on to other therapists, and her daughter's medical bills wound up costing nearly $20,000 over what insurance covered.

The unexpected medical bills wiped out her meager savings.

Adding insult to injury, April 15th was coming. Norma Lynn knew she had underpaid her previous quarterly installments. She was certain that she wouldn't have the cash for an extra large April 15th bill. She was truly at wit's end.

Fortunately, her CPA was one of thousands who subscribe to *Tax Wise Money,* and he was quick to reassure her. There were tax opportunities aplenty, he said with a mischievous smile.

First, he showed her how to deduct every single medical bill over 7.5% of her adjusted gross income—yielding the maximum write-off of $15,500. *Second,* he examined a rental property that she owned, and shrewdly turned it into a paper loss of $19,500 for the year. *Third,* he dug and dug until he uncovered itemized deductions of $36,200 and he classified them in such a way that she was able to skirt the Alternative Minimum Tax. All totalled, her personal deductions amounted to $71,200 — more than she needed.

All of this was fine, but it didn't reduce her taxes to zero. That goal was completed through her corporation. Using a clever depreciation schedule, smart timing, and some creative financing, the tax-wise CPA set it up so that her company actually wrote-off $14,000 more in expenses than it actually expended! Talk about a tax shelter!

In the end, though Norma Lynn had a year she'd rather forget, she'll never forget holding her pen above Line 53 on her 1040 and writing a big fat 0.

There's no "magic" in this.

I'm not some modern-day Merlin or Nostradamus and I haven't got a cousin working at the IRS. The secret to this kind of tax-cutting success is hard, thorough, painstaking research.

I give it elbow grease. I dig deeper than most. I lift all the rocks, even the slimy ones, to see what crawls out.

And when I find a tax diamond in the rough, I polish it up until it shines. Then I figure out how to present it so that anybody—even a rank beginner at taxes—can easily create $1,000, $5,000 or even $50,000 in immediate tax savings.

How much could you save this year, and in coming years? The next chapter answers that question for you.

Chapter Eleven

READY FOR YOUR "MILLION DOLLAR" DECISION?

Guess how much tax money you will send to one government or the other in your lifetime. Go ahead, guess!

Do you think you'll send $200,000? No way.

Maybe as much as $400,000? Not even warm yet.

Could it possibly be $600,000? Keep going.

Taxes are your biggest expense in life. Bigger than your home mortgage and your kids' college education *combined*. You will probably send $1,000,000 in taxes to federal, state, and local governments in your lifetime.

That's right—the average household making $50,000 a year will throw away one million dollars in taxes over the years.

Now imagine keeping $200,000 of that tax money for yourself.

Or better yet, imagine keeping $400,000 of that money in your own wallet where its belongs.

Or since it's possible, imagine keeping $600,000 of your hard-earned money to invest as you please!

There is nothing stopping you.

With this book as a start, and *Tax Wise Money* as your monthly guide, you can put IRS hassles behind you and a fortune in tax savings in front of you.

You can use the strategies that give you the "vanishing point" you need to feel safe and assured...even as you whittle your taxes down to the barest legal minimum.

I'll be right beside you, easing you through the tough stuff. A subscription to *Tax Wise Money* will give you everything you need to become tax-wise at your own pace. With *Tax Wise Money* in hand...

☐ You'll have an all-in-one source for your every tax concern. You'll never have to scrounge around for tax information.

☐ You'll have a direct pipeline to the goings-on in Washington—so that

you're never broadsided by new tax legislation.

☐ You'll be positioned for complete safety, with specific steps you can take to disappear from the IRS's prying eyes.

☐ You'll be focused on the basics, ignoring the extraneous, so that you keep on top of taxes in about an hour a month.

☐ Your very first issue will arrive with action steps you can take right away to slash taxes and free-up cash for immediate use.

And best of all, you'll get a lifetime of tax education in a few, short, no-experience-required lessons. Soon, you'll understand how taxes really work. You'll never again be dogged by the sinking feeling that you screwed up your 1040, or worse, that your tax preparer screwed it up. These days, that assurance is important. Six words explain why:

Three Stupidest Words, Three Smartest Words

Every year, around April, it's the same old drill: We pull out the shoebox, sort all the receipts and statements into piles, rubber band them, haul them down to the tax preparer's office, dump them on his desk and with a sigh of relief, say, *"You know best"*

Yikes!

Putting complete trust in your tax preparer— even if he's a full-fledged CPA, even if he's a friend who's been doing your taxes for years—is the most dangerous thing you can do.

Consider these interesting pieces of news:

Tax Blockheads. The nation's largest tax preparers recruit their employees from those overhead poster-ads you see on subway trains! They will accept anyone who can dredge up $250 for training. Draw your own conclusions.

An "F" in Taxes 101. As noted earlier, *Money* magazine conducts an annual test. They ask 15 CPAs to do a typical family's taxes. These CPAs are tops in their fields. And every year, the results are pretty much the same: 15 CPAs, 15 different answers on how much taxes are owed. Some miss by many thousands of dollars. Draw your own conclusions.

Tax Payers vs. Tax Preparers. CPAs paid out $100 million in damages to taxpayers who sued last year. Why so many lawsuits? Too many

lawyers? Yes, but the main reason is: A lot of CPAs don't keep abreast of the tax law changes. Many of them are still using outdated 1986 rules. The only conclusion you can draw, is:

A lot of "professional looking" tax preparers are nothing of the sort. They leave you vulnerable to IRS deficiency notices, penalties, even a full-on audit.

Don't get fleeced.

My staff and I do the hard, painstaking research required to keep you tax wise. We spend hundreds of hours combing through the code, the rulings, the court decisions, the trade journals. Then we spend thousands of hours simplifying it all down...so you don't have to be a nuclear engineer to understand it.

Sure, my newsletter subscribers are intelligent, mostly college-educated people who are successful in their fields. They don't need tax advice spoon-fed to them. But you know something?

They appreciate it nonetheless! It gives them the ammo they need to look over their tax preparer's shoulder, and instead of saying *"You know best"* they say *"I'm watching you!"*

Now...aren't those three words a whole lot more sensible?

point and you will want to maintain it and make sure you remain completely and safely incognito.

You'll never again be wrenched with frustration. You'll never again overpay. This is so certain, that Agora Inc. is also extending a second guarantee:

If you don't pay $1,000 less, your subscription is free!

Simply read *Tax Wise Money* for a year and put the strategies to work. If you don't pocket at least $1,000 in additional tax-savings, while feeling "invisible" to IRS scrutiny, then request a full refund.

You will receive your refund promptly. No questions asked. It's that certain.

Because you're receiving a no-risk way to pocket at least $1,000 next April 15th, you might think this tax-wise advice costs hundreds of dollars.

There's dozens of newsletters that cost a bundle and guarantee zip.

But for only $39 a year you get an easy-to-use monthly advisory that guarantees you at least $1,000 profit — that's a 2,500% return on your money!

You can't lose...unless you hesitate.

Because cutting taxes...and risks...has never been more important. Politicians at all levels of government are raising taxes and tightening screws.

Why overpay one penny or risk one audit?

Take this opportunity to fend off Clinton's tax attacks. Free yourself from IRS harassment. Take every deduction you're entitled to!

You don't need to be a tax wizard...and you don't have to hire an accountant or a high-priced attorney. Just spend an hour a month with me and learn to be tax wise.

It comes down to this: You become at least $1,000 richer...and safer from IRS harassment..or you're out nothing.

See page 113 for information on how to order.

Robert C. Carlson March 1994

Appendix A

THE THREE BIGGEST LIES THE IRS SPREADS

It happens like clockwork. Bob Carlson will be speaking at an investment conference, or answering letters from subscribers, and he is asked the same three questions. Always the same three.

It must have something to do with the nature of taxes...

But never before have so many people believed so many things that just aren't true. It's time *for* Bob *Carlson to unmask* the lies, starting with the three biggest and most dangerous:

LIE #1 You must report every penny of income.

Nothing could be further from the truth. You are required to report certain kinds of income, but not all income. It's all spelled out in the tax code...but don't expect the IRS to trumpet the truth. You have to find this information out for yourself. Bob Carlson, the acknowledged champion of middle-income taxpayers, is happy to help you.

There are five big sources of income (in addition to those $10,000 gifts from your parents) that you can leave off your 1040 altogether. It's 100% legal, and Bob Carlson explains each of the sources in the free Two Step Wealthplan you'll receive free of charge.

LIE #2 It's best to go easy on the deductions.

This is the most common lie people buy into. And the funny thing is, they figure they're being smart. They think that by claiming a few less deductions, or by paying a few more taxes, the IRS will smile down on them.

That would be laughable...if it wasn't so very dangerous.

The reality is, the IRS computer is programmed to flag returns with obvious "bluffs." Too few deductions, a missed credit, something out of kilter, and the computer dumps your return on the desk of an auditor.

You may wonder why the system works this way. Well, it makes a lot of sense from the IRS's point of view. They figure that if something is out of kilter on your return, you may be trying to hide something. For example:

An auto dealer thought his entertainment deductions would increase his chances of being audited. So he didn't take any. That triggered a "red flag" and an auditor paid a visit. It wouldn't have happened if the dealer had taken all the deductions he was entitled to.

Now think back to your last 1040. Did you take the right number of deductions? Do you even know?

LIE #3 Sooner or later, you'll be audited.

Actually, this is only a half-lie. Every few years, the IRS picks about 50,000 taxpayers at random and audits them just for the fun of it. What a sense of humor they've got.

But apart from these random attacks, you can effectively disappear from the IRS. There are two ways to do this: One system is used by people who can afford to hire big-time legal talent. The other system is tailor-made for small to medium-sized returns. It lets you vanish into the IRS bureaucracy with a high certainty of success. You'll get more details on this "tailored for you" system in monthly issues of *Tax Wise Money*.

Appendix B

OFTEN-ASKED QUESTIONS OF BOB CARLSON

Q: On my payout from my 401 (k), will I have to pay the 20% withholding tax?

A: Only if you let some broker or financial planner (with products to sell) mislead you. There is no reason to pay that tax. Get your facts straight.

Q: I'm a small businessman. I understand the new tax law gives me better deductions for equipment purchases. Is that so?

A: Yes, you can write off $17,500, and it's retroactive to January 1, 1993. Upcoming issues of *Tax Wise Money* will show you exactly which kinds of major purchases are allowed, and how best to take advantage of this tax windfall.

Q: Is it possible to beat the *marriage penalty?*

A: If you plan ahead, yes. In each issue of *Tax Wise Money,* I talk about "real world" tax problems like these. And I show you exactly how to solve them with a minimum of effort.

Q: Could I be nailed for my nanny?

A: No! Section 530 of an old revenue act, as well as new tax legislation, will protect you...if you know how to apply them.

Q: Is there a "private" way to buy things?

A: One "offshore" VISA card lets you make purchases under $10,000 and report nothing. It's 100% legal!

Q: Can I invest my IRA in real estate?

A: Yes! Plan now...and build your retirement dream house with tax-free dollars.

Q: My wife took a "one-time job" and made

$5,000. Must she pay self-employment tax?

A: Absolutely not!

Q: What if I can't pay my taxes?

A: The IRS is more lenient than ever. You can stretch out the payments over 14 months, even longer. And if you're in a pinch, you can pay ten cents on the tax dollars you owe. This leniency is a new development and the specifics haven't all been decided. But I'm following this closely, and will be the first to report to you.

Do You Have a Tax Question?

Jot it down on the order form, send it in, and Bob Carlson will try to answer it as soon as possible in an upcoming issue of *Tax Wise Money.*

Appendix C

SMALL BUSINESSMEN CAN SAVE $30,000 TO $80,000

Small Business Tax Clinic:
Quickly test how "tax wise" you are. Tax Wise = Savings + Safety

Are you taking advantage of the tax-wise strategies below? Or are you letting easy money slip away? Look and see:

	Typical Tax Savings For	
Check the boxes that apply to you:	***$250,000 Business***	***$750,000 Business***
☐ Side-step the 50% limit on business lunch deductions. Get around Clinton's new, tighter rules too!	$ 1,000	$4,500
☐ Choose the S Corp to avoid double taxation on earnings. And reap another windfall when you liquidate.	$4,000	$20,000
☐ Raise your *per diem* from $94 to $150, favoring your employees with more tax-free income and you with more deductions.	$7,000	$12,000
☐ Set up an "arms length" pension plan that cuts paperwork hassles, while putting *more* money in your employees pockets.	$1,000	$1,500
☐ Terminate selected employees and rehire them as independent contractors, even giving them a 10% raise!	$2,000	$6,000
☐ When casualty strikes, get extra-high write-offs for losses. You can deduct damaged trees, collapsed roofs, subsoil shrinkage, even smog damage.	$9,000	$20,000

□ Make property improvements (which are non deductible) per a formula that turns them deductible.	$3,000	$8,000
□ Maximize little-known deductions such as beer bashes, Saturday layovers, holiday gifts.	$3,000	$8,000
□ Show your employees how to sidestep the IRS's new crackdown on personal use of accumulated frequent flyer miles.	(No dollar gain, but it sure boosts employee morale!)	
TOTAL YEARLY SAVINGS:	$30,000	$80,000

How did you fare?

If you checked seven boxes or more, you're a Tax Wise Genius! Five boxes, you're average. Three boxes or less, and you could be losing tens of thousands of dollars a year...and risking a visit from an IRS examiner.

It's time to act. Get a copy of *Tax Wise Money* and a yellow marker. Highlight the strategies that apply to you. Give them to your accountant, or execute them yourself, but get tax wise!

SUBSCRIBERS' TRIUMPHS TOLD IN THEIR OWN WORDS

BOUGHT A CONDO

"I knew I could afford this Gulf Coast condominium after Bob Carlson showed me how to deduct over $80,000 in medical costs I had paid out for someone else."

Bob Matheo
Writer
Pensacola Beach, FL

AN END TO TERROR

"Before I started reading your publication, taxes were a mystery to me and I lived in mortal terror of an IRS audit. Thanks to you, I feel like I have a fighting chance. I have showed several of these ideas of my accountant and said, 'Why didn't you show me these things?'"

Luanne Flikkema, Ph.D.
Temperance, MI

BE A MILLIONAIRE

"Your newsletter is saving me so much money, I figure that at this rate I'll be a millionaire by the time I retire...on my tax savings alone."

J.T. Williams
Dayton, OH

SAVED $1,500

"I combined the cash value of three insurance policies into one, then saw your article that there were no taxes on old policies. My accountant thought otherwise. I showed him your article, and after research, he agreed. It saved me $1,500!"

Ralph L. Presley
Retired Airline Pilot
College Parky GA

FOUGHT BACK AND WON

"I was fined $1,200 for lack of a 24-cent stamp on my tax return. You gave me chapter and verse of the IRA code covering this case. I gave the citation to the IRS and got the $1,200 back with interest. Two prior attempts by my accountant had failed."

Joan B. Berkowitz, PH.D.
Management Consultant
Washington, D.C.

GOT BACK $20,000

"As a sole proprietor in real estate...doing investment with a retired husband, I need all the help I can get! We are going to go back and refile on '91 income taxes to get back almost $20,000. You don't have to be afraid of the IRS, you just have to know the rules and you can still make money."

Jane H. Leasman Green
Valley, AZ

CUT THE PAPERWORK

"You have probably saved me an average of $1,500 a year...It even cuts down the amount of paperwork I have to do. The very first year I took your newsletter, I legally paid no taxes."

Darla Gault Branson,
MO

$850,000 TAX WINDFALL

"Because of this single item, I and a partner will realize an additional $850,000 in depreciation...Not a bad return for a rather small subscription price."

J.D.K. Prescott, AZ

SAVED ALMOST $1,000

"You have helped me, my sister, and my cousin who retired and didn't know about 10-year averaging for pension payouts. It saved my cousin almost $1,000 in taxes."

Dave Dillinger Las
Vegas, NV

SO HAPPY

"I am so happy I found you. Keep up the good work!"

Jack Aden Midlothian,
VA

MORE INTERESTING

"I have been subscribing to several newsletters which purport to do what you do. You seem to 'lead' the others by at least a week and you make your publication more interesting to read."

Troy G. Arnold, Jr.
Richmond, VA

SO IMPRESSED

"I was so impressed with my first issue...that I am going to take you up on your three year renewal rate."

Alfonse G. Inga Tax
Accountant

KEEP TUNED-IN

"Throughout the year, you provide timely facts, tips, and stories that keep me tuned in to the tax arena."

Gary A. Whitney, CPA
Reading, MA

DOWN-TO-EARTH

"You showed me how to employ my teenage child and save about $800 a year in taxes...I feel it is a very valuable newsletter with down-to-earth tips."

Blake S. Clark, Ph.D.
Staunton, VA

TAX SAVINGS

"You helped me develop deductions resulting in tax savings."

Donald A. Gaylord, B/Gen USAF (Ret.)
Carmichael, CA

Join the 100,000 taxpayers, investors, CPAs, and business professionals who are now reading *Tax Wise Money*. They're keeping the IRS off their backs and out of their wallets. You can do the same.

15 WAYS YOU'LL BE RICHER AND HAPPIER

Richer, happier, and enjoying the peace of mind that few ever know...because you'll be easily and effortlessly turning your tax troubles into tax triumphs. Here are the kinds of strategies you'll be perfecting:

1. Reduce your tax rate to 15%...or even lower.
2. Deduct two home offices. Yes, two!
3. Get your tax refund months ahead of time.
4. Incorporate yourself to deduct 70% of your dividend income.
5. Eliminate all taxes on your investment income — forever.
6. Find out if your employer is dipping into your pension.
7. Deduct your home business and even your hobby losses (even if you made no money).
8. Convert your taxable assets into "tax free" cash.
9. File in August and vanish deeper into the IRS woodwork.
10. If you have to sell your home at a loss, you can't deduct that loss...unless you know the insider's trick.
11. Should you buy or lease your next car? It depends...
12. New exemptions and deductions the IRS won't be advertising (but you'll need to know about).
13. Did you underpay withholding? You can avoid penalties.
14. The one costly error 97 of 100 mutual fund investors make.

15. Which credit cards not to use in December.

Just think—if you use only five of these, and each saves you $200, you've already made $1,000 from your subscription to *Tax Wise Money!*

Plus you'll be sleeping better at night...knowing that you've taken the safest approach possible and effectively disappeared from IRS scrutiny.

Publisher's Note:

LAST MINUTE ADDITION

Today's tax code is so technical and complex and downright idiotic at times that even top-notch accountants can feel as stupid as a fly caught in a spider web.

Now Mr. Clinton is making it even "stickier" with hundreds of entangling new rules...more perplexing forms...and untold new calculations—all intended to snare another $250 billion in new taxes from an already-overtaxed public.

Plus, the IRS is trying to sneak some fine print into the budget. If the IRS gets their way, small businesses will soon be forced to file a landfill's worth of new tax forms.

Every invoice will have to be reviewed...and codified...with duplicates shipped off to the IRS computers.

A nightmare of red tape.

If you attempt to steer through these new bureaucratic webs yourself, or if put your complete trust in your tax preparer, you're risking harm...even an audit.

Why risk it...when you can insure yourself against dangerous missteps for about ten cents a day? That's right. Just ten cents a day is all it costs to have your own copy of *Tax Wise Money*.

Each issue guides you through the web of tax rules, taking care to explain everything in easy-English, and repeating it often enough so you know your way out by heart. There's no better insurance...no better investment.

See next page for ordering information.

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